PENSION COMMITTEE
SPECIAL MEETING
JUNE 30, 2011
TOWN HALL   10:00 A.M.

CALL TO ORDER: The meeting was called to order at 10:00 AM.

MEMBERS PRESENT: Bill Kirkpatrick, chair; George Warner and Ham Wilson, members; Lisa Pellegrini, first selectman; Kim Marcotte, Somers CFO; Linda Savitsky. consultant; Bruce Barth, attorney; Bill Woollacott, actuary. Ann Logan And Francine Aloisa, town employees, were also present.

TOWN PENSION PLAN REVISION—DISCUSSION AND ACTION
        The actuary began with a discussion of the fractional rule providing an example of its impact on retiree benefits. It was agreed that it would be eliminated in the proposed revision of the plan. Other agreed upon Plan revision factors include:
        • Maintaining the 1.67 multiplier
        • Provide immediate eligibility for all new hires
        • Increase to 25 years of credit for all covered employees
        • Increase the normal retirement age to 65 from 62 (grandfather those over 65)
        • Actuarial benefit will begin at 70½ years rather than 62 (as it is at present)
        • Eliminate the lump sum cash out effective 8/31/11
        • Employee contributions will be raised to 3% as of 9/1/11, to 4% as of 7/1/13, and 5% of pay as 7/1/15.
        • Employee contributions will be on a pre-tax basis

        It was moved, seconded, and unanimously passed that these proposed changes be recommended to the Somers Selectmen.   If approved by the Selectmen, the proposal would take effect on 9/1/11. Employees would notify the town of their intentions (e.g. regarding lump sum payouts) by 8/16/.   A summary of changes would be mailed with the next paychecks, followed by employee meetings and the opportunity for individual discussions, if requested.

        It was pointed out that Somers must have a Trust for the Plan. Bill Kirkpatrick agreed to discuss this with Merrill Lynch and Kim Marcotte will contact Webster Bank, Wells Fargo, and Bank of America to determine costs and to get the ball rolling.

ADJOURNMENT: There being no further business, the meeting was adjourned at 11:15 AM.

                Respectfully submitted,

                Hamline C. Wilson
                Clerk